

2015 Subcommittee Questions

PROGRAM PERFORMANCE:

- a. The IEDA maintains performance data on all of its programs, the most comprehensive of which is our annual report. This report is made available to the legislature and public during the first quarter of each calendar year.
- b. The annual report contains data on how the vast number of IEDA incented projects are performing on their job creation/retention and investment obligations. The report can be found on the Authority's website.
- c. The last five years of data can be provided upon request.

PROGRAM EFFICIENCY:

The IEDA has reviewed what other states are working on in order to improve performance and delivery of programs. One of these items is IowaSourceLink, a collaboration with USSourceLink, the University of Missouri, and the SBA to connect Iowa entrepreneurs and small businesses to the financial/technical resources needed to grow and prosper.

Another item the department is reviewing is a Business to Business Portal currently being done in the state of Michigan. When developed, this portal will connect Iowa businesses/suppliers with individuals/entities across the nation who are in need of Iowa products/services. The Governor has recommended 500K in a general fund appropriation to enable the IEDA to implement this portal.

PROGRAM DUPLICATION

IEDA's main task is increasing wealth creation via incenting businesses to expand/relocate their operations in Iowa. Very few, if any other agencies within Iowa have this task. We are always collaborating with other agencies to maximize the use of taxpayer dollars and to improve overall business climate. A couple examples of these would be our participation in the Freight Optimization Study in collaboration with the Iowa DOT to transform the transportation network in order to assist state government agencies and their customers to make informed operational and investment decisions. The Moving Iowa Forward conference with the Iowa DOT to inform customers how transportation and economic development work hand-in-hand to make Iowa a better place to do business including logistics and site certification, and the hosting of the Midwest U.S. Japan Conference last September, which brought together business and government leaders from Iowa and other Midwestern states with their counterparts from Japan for trade and investment discussions.

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OTHER:

Cutting the IEDA General Fund budget would definitely diminish efforts in a number of areas.

- . A 1% cut would impact budgets for IEDA travel, operational funds for Iowa's Councils of Government, mentoring and volunteer efforts by the Iowa Commission on Volunteer Services, and fewer scholarships for STEM applicants. This could possibly be offset by the savings realized from the end of the SERIP program this fiscal year.
- . The 5% and 10% cuts would greatly diminish the Authority's marketing efforts in a number of areas including but not limited to: reducing the IEDA investment in various media campaigns (print, web, social media, etc.) which target business executives and promote Iowa as the state for business expansion and relocation; site certification advertising and services which assist Iowa communities in assessing, certifying and promoting "shovel ready" development areas; tourism media advertising for cooperative ads promoting various attractions throughout the state.

SERIP SUMMARY

Projected Costs for FY15 209,000

Funding Source(s) FY15:

| | |
|-------------------|-----|
| State G/F | 76% |
| State Other Funds | 7% |
| Federal | 17% |

Planned uses of these funds for FY16:

Will devote more resources to the Home Base Iowa Initiative

Participants in SERIP: 21

Total Cost By Funding Source:

| | |
|-------------------|------------------|
| State G/F | 1,017,000 |
| State Other Funds | 92,000 |
| Federal | 231,000 |
| Total* | 1,340,000 |

*- Estimated due to possible changes by participants in insurance plans and participants reaching the age for Medicare eligibility in which case the state's plan changes to supplemental and costs decrease somewhat.
There will be a small insurance payable for FY16 estimated at 13K-16K based upon State Accounting numbers.

Did the program free up dollars when considering all re-hires, did it save or cost funding over the life of program?

This is difficult to determine. In early January, 2011 the IEDA's three main operational accounts (which covered 93% of participants) was cut by \$1.475M per Chapter 1193 Sect 27 2010 Acts (HF2531) for savings realized via SERIP and other efficiencies. Of the 21 participants the department directly re-filled only 7.

Since the cut occurred halfway thru FY11 and all of the participants had to leave employment by 6-24-10 the funding to cover the SERIP costs was severely diminished. The actual result of the department having to cover these

SERIP SUMMARY

costs after the cut mentioned above was the reduction of
2-3 staff in the subsequent fiscal year.